

FISCAL IMPACT STATEMENT ON BILL NO. **S. 581**

(Doc. No. 11535ac05.doc)

TO:	The Honorable J. Verne Smith, Chairman, Senate Labor, Commerce and Industry Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Tricia Tangney		
DATE:	March 16, 2005	SBD:	2005318

AUTHOR:	Senator Lourie	PRIMARY CODE CITE:	41-14-20
SUBJECT:	Boiler Safety Act		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES IS:
\$0 (No additional savings or expenditures are expected)

BILL SUMMARY:

This Bill enacts the "Boiler Safety Act", which directs the Department of Labor, Licensing, and Regulation to promulgate regulations for the installation, maintenance, and repair of boilers in the State in consultation with the Contractors Licensing Board. It also provides for the appointment of a Chief Boiler Inspector and certification requirements for special inspectors, and authorizes these people to inspect boilers throughout the State.

EXPLANATION OF IMPACT:

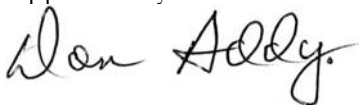
The Department of Labor, Licensing, and Regulation estimates that implementation of this Bill would require General Fund expenditures totaling \$629,695 in the first year and \$585,695 in the following year. This includes 7.00 FTEs including 1.00 Chief Boiler Inspector, 5.00 Inspectors, and 1.00 Administrative Supply Specialist at \$371,800 for personal service and employer contributions, \$137,500 in other operating expenses, \$76,395 for legal and administrative support, and \$44,000 non-recurring costs for office equipment.

Section 41-14-120 of this Bill assigns the Department responsibility to ensure the safety of boiler equipment throughout the State. Although this section and Section 41-14-80 makes reference to the use of special inspectors certified by the Department which are not paid by the State, the Department does not believe that there are enough special inspectors to inspect the approximately 3,000 boilers in the State that meet the criteria for inspection established by this Bill. Therefore, this estimate assumes that the Department will hire its own inspectors as it does in the Elevators and Amusement Rides program.

SPECIAL NOTES:

This Bill has no provision for charging fees for boiler inspections. Section 40-11-50 allows the Contractor Licensing Board to charge fees for registrations and certificates. Assuming this Bill confers upon the Board the ability to promulgate regulations to set those fees, it would take two calendar years after the Bill has passed to develop these regulations through the Administrative Procedures Act as "initial fees". Until that time, the provisions of this Bill would be a cost to the General Fund.

Approved by:



Don Addy
Assistant Director, Office of State Budget